

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6611

BILL NUMBER: SB 178

DATE PREPARED: Feb 20, 2002

BILL AMENDED: Feb 19, 2002

SUBJECT: Child Support.

FISCAL ANALYST: Michael Molnar

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FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill amends the effective date of driver's license suspension for delinquent child support obligors and removes a notice requirement. The bill requires businesses and units of government to comply with subpoenas issued by Title IV-D agencies in other jurisdictions.

The bill requires the Child Support Bureau to: (1) enforce support orders using high-volume automated enforcement features; and (2) use a simplified procedure for review and adjustment of support orders.

The bill requires an applicant for a marriage, hunting, trapping, or fishing license to provide the applicant's Social Security number. It requires a court to issue a support order addressing health insurance in certain cases.

The bill requires use of National Medical Support Notice and requires certain employers to electronically transfer funds to the state central collection unit. This bill also authorizes a court to: (1) order a child support obligor found in contempt of court to seek employment; and (2) require a child support obligee to obtain a bank account.

The bill also specifies that the clerk of the circuit court may not be required to remit child support payments by electronic funds transfer.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) This bill makes minor procedural and reporting changes to the existing system. The impact of these changes is expected to be minor and not require additional staff. The Division is in the process of implementing changes to the ISETS database at FSSA. In addition, the Bureau of Motor Vehicles and the Department of Natural Resources are required to track applicants' Social Security numbers. The cost of these changes is unknown at this time and are expected to be minor.

This bill requires the use of electronic fund transfer in certain circumstances. Employers with more than one obligor and 50 employees shall use electronic fund transfer to make payments to the state central collection unit. In addition, the bill requires that custodial parents obtain an account at a financial institution. Payments will be transferred electronically to the custodial parent. These measures will streamline the transfer of support payments from the noncustodial obligor to the custodial parent. This may result in cost savings as well as assure prompt transfer of support payments.

In addition, this bill addresses health insurance for children as well as child support payments. The statute previously required the court to only consider including a provision of insurance coverage for a child. This bill requires the court to include a provision addressing insurance for the child, and allows both the Title IV-D agency and other parties to initiate action to do so. This provision may increase the number of children that obtain health insurance from an obligor. If the number of children with insurance increases, children requiring health coverage under Medicaid or the Children's Health Insurance Program (CHIP) may decrease. This may result in reduced expenditures to the state.

Explanation of State Revenues: This legislation would amend state regulations to be in line with federal requirements. The bill rectifies several items not previously addressed by the Division of Family and Children. Receipt of federal child support and Temporary Assistance for Needy Families (TANF) monies are linked to compliance with the State Plan and federal regulations. According to FSSA staff, receipt of these funds would possibly be at risk if these issues are not addressed. The state receives approximately \$30 M annually from the federal government for the child support and TANF programs.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Amy Brown, Legislative Director for the Family and Social Services Administration, (317) 232-1149.